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CURRENT COMPANY PRACTICES IN THE USE OF CORPORATE ADVERTISING: 1989

ANA
ASSOCIATION OF NATIONAL ADVERTISERS, INC.

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FOREWORD

A.N.A. Corporate Advertising Practices Surveys have been conducted periodically by the A.N.A. Corporate Communications Committee since 1975. The last four studies were conducted annually. This was based on the Committee's reasoning that today's rapid pace of change in the business community warranted more frequent checks on changing communication techniques. This has proved to be an accurate assumption. We have been able to watch the rapid growth of usage of certain media, the increased use of PBS, and to explore subjects that were hardly thought of a few years ago such as disaster communication control and globalization of communications.

We are grateful to the A.N.A. Members who took the time to complete the questionnaires and particularly those who voiced their thoughtful concerns about their corporate advertising programs. Their extensive verbatims are included at the end of this report. We believe that they presented an excellent picture of today's principal concerns of corporate communicators.

Also, our thanks to the A.N.A. staffers, Peter Eder, Renee Paley, Elizabeth Foster, Anne WuLei, and Lauren Lee for their assistance in conducting and producing this survey.

Edward C. MacEwen
Chairman
A.N.A. Corporate Communications
Committee

Vice President,
Corporate Communications
GTE Corporation

MANAGEMENT SUMMARY

These periodic studies among A.N.A. Members of their practices in the use of corporate advertising have been conducted since 1975, the last four on an annual basis. The following summarizes the findings for the 1989 study.

After a ten percent drop in average corporate ad budgets in 1988 (from $9,845,000 to $8,949,000), 1989 averages rebounded to $9,734,000. The number of respondents reporting the use of corporate advertising in 1989 remained close to the 65.2% of last year. This year, 63.5% reported using corporate advertising but four respondents were awaiting management decisions.

Because these studies are conducted early in the year, March and April, budget plans may change as the year progresses. By comparing the estimated 1988 budgets from 37 companies in last year's survey with actuals from this year, it was possible to see how well their earlier budget estimates held up. Eleven of the companies reported no change. Sixteen companies reported budget cuts averaging $1,872,000 (the mean was $1,000,000). Eleven companies wound up spending more than they thought they would earlier in the year. They averaged an increase of $2,195,000 (the mean increase was $2,000,000).

Marketing gained slightly as the department most likely to handle corporate advertising (up from 34% to 35.5%). However, Corporate Communications at 33.8% and Public Relations at 19.9% plus 2.7% in Public Affairs suggests that marketing is still not the dominant overseer of the function. This is clear when it is noted that this year's study shows a marked drop in the use of corporate advertising to "provide unified marketing support for products and services," down 59.2% to 49.4%. The major objective, "to provide for a level of awareness of the company, the nature and/or diversity of its business interests and enhance its reputation" which dominated last year at 72.4% rose to 84.4%. Some increase in the use of Issue Advertising is apparent from its rise: "to inform or educate on issues of importance to the public and the company," up from 20.4% last year to 24.7% in 1989.

The business community regained its number one spot (65%) as the most sought after corporate advertising audience after losing that position briefly last year to "upscale population" which fell to 57.5%. Among those using household income as an audience target, the aim was higher, almost one-third now specifying household incomes of $50,000 and above.

Business magazines still edged out specialized newspapers as the most frequently used medium among corporate advertisers, although, it has dropped for three consecutive years from 80% in 1987 to 69.5% in 1988 and 61.5% in 1989. The use of network television rose slightly from 47.4% to 50% and the use of cable rose sharply from 38.9% to 47.5%.

The growth in underwriting public television which has risen sharply in recent years to 42.9% last year appears to have leveled this year at 41.7%. Those underwriting shows, however, are more likely to underwrite both national and local programing up from 8.2% in 1988 to 18.6% in 1989.

The use of corporate advertising overseas increased from 66.6% last year to 88% this year, with Asia and Europe receiving the major attention. More than half of this advertising, 54.2%, is now handled locally rather than centrally from the United States.

About three-quarters of the respondents felt their public relations and corporate advertising programs were coordinated (73%). In most cases, this was explained as the result of being handled in the same department or sharing a common report. The twenty-seven percent reporting no coordination were, in three out of four cases, from companies in which the corporate advertising was handled in the marketing department.

Disaster containment programs were reported to exist in 58.9% of the companies responding. Less than one-third (30.4%), however, included corporate advertising as having a role in their contingency planning.

The principal concerns expressed in connection with respondents' corporate advertising programs (besides budget) centered around advertising effectiveness, maintaining management's support for the program, coordinating communications in a decentralized business environment, media clutter and cost efficiency.

HOW THIS STUDY WAS CONDUCTED

Questionnaires were sent in March 1989 to all A.N.A. Member Companies. A follow-up letter was sent to Members in mid-April. By early May, 117 usable responses were received. This was below last year's level of 193 responses but was judged representative of those members most active in the corporate advertising area. However, it should be noted that in many instances the actual number of responses to specific questions is close to the number responding in previous years. Respondents tended to be the largest and most consistent corporate advertisers. The difference in numbers makes year-to-year comparisons approximate and percentage comparisons easier to use than actual counts.

Again this year, Thomas F. Garbett was engaged to analyze and prepare this report. (see below)

A WORD OF CAUTION

A.N.A. Member Companies are among the largest general advertisers in the package goods, consumer product and service industries. The group is likely to represent the more sophisticated of advertisers, with their practices in the use of corporate advertising differing from those of other corporations. Conversely, certain relatively frequent users of corporate advertising are under-represented in this sample, specifically those from aerospace and other industrial corporations.

In all mail-in questionnaires of complex business practices, respondents tend to interpret questions in somewhat different ways. In addition, questions may have been answered differently because the level of corporate responsibility varied. Note, however, that three-quarters of the respondents were at the director level or above.

A NOTE ABOUT THE AUTHOR:

Tom Garbett, who prepared this report, runs a corporate advertising consultancy which he started in 1984 following 24 years at DDB Needham Worldwide. He maintains an office at his home in Waterford, Connecticut. His practice serves many of the Fortune 500 corporations and a number of well-known advertising agencies and public relations firms.

His latest book "How to Build a Corporate Identity and Project Its Image" was published by D.C. Heath Publishing in 1988. It covers a variety of communications problems dealt with in his consulting practice, including those brought about by mergers, name changes and unexpected disasters and disclosures. It also updates key material from his first book, "Corporate Advertising: The What, The Why and The How" (McGraw-Hill, 1981).

USE OF CORPORATE ADVERTISING

In last year's survey, 56.9% of respondents reported using corporate advertising within the last three years ('86, '87, '88). This year that figure jumped to 70.4% reporting the use of corporate advertising during '87, '88 and '89. In part this may be due to the difference in time frames, the greater use of corporate advertising in 1989 versus 1986. Unfortunately, it may also, in part, be the result of a smaller response to the survey this year versus last (117 versus 196). While most of the largest and more consistent corporate advertisers again returned questionnaires, the response from the non-corporate advertisers was somewhat lighter. This, of course, has affected the tracking. Nevertheless, the number of companies using corporate advertising in 1989 was down only slightly from 1988 (65.2% versus 63.5%). This could change if four respondents still awaiting management budget decisions get favorable responses.

TABLE #1

Has your company used corporate advertising in last three years? (Of 115 responding)

	Number of Respondents	Percent of Respondents
Yes	81	70.4
No	34	29.6
Used in 1987	67	58.2
Used in 1988	75	65.2
Used in 1989	73*	63.5

*As of March/April date of interview (4) respondents were still awaiting management's decision (3.5%)

ADVERTISING EXPENDITURES

Total corporate advertising expenditures were the highest ever recorded in these surveys. Those responding reported an average expenditure of nearly 10 million dollars ($9,734,000). This was up from $8,949,000 in 1988, but down slightly from the 1987 figure of $9,845,000. One-third reported budgets of $10,000,000 or more. Those spending under $1,000,000 dropped to 13.6%.

How stable are corporate ad budgets in the course of a year? Since studies are conducted during March and April, A.N.A. Members are asked for their corporate ad expenditures for the two preceding years and an estimate for the current year. How well do those estimates for the year hold up by year's end? Not always too well, but there are some surprises. By comparing the estimated 1988 budgets from 37 companies in last year's survey with their actuals from this year, we find:

Eleven companies were "right-on."

Sixteen companies had budget cuts totaling $31,653,000 which averaged $1,872,000 (but the mean was only $1,000,000).

But surprise!

Eleven companies spent more than they projected they would. In total, $24,140,000 more, an average of $2,195,000 each (the mean increase was $2,000,000).

TABLE #2

Corporate advertising expenditures among those reporting each year:

	1987		1988		1989	
	#	%	#	%	#	%
Total respondents						
Under $500,000	4	7.1	9	14.3	4	6.1
$500,000-$1 mil.	5	8.9	2	3.2	5	7.5
$1-$2 million	4	7.1	6	9.5	8	12.1
$2-$4 million	10	17.9	11	17.5	8	12.1
$4-$7 million	8	16.1	4	6.4	11	16.7
$7-$10 million	5	8.9	8	12.7	8	12.1
Over $10 million	20	35.7	23	36.5	22	33.3

Total corporate dollars spent by all A.N.A. respondents

1987	1988	1989
$551,325,000	$563,833,000	$642,474,000

Yearly averages by all A.N.A. respondents

$ 9,845,000	$ 8,949,000	$ 9,734,000

The mean (mid-point) budget range for each of the three years was the same: $4-7 million.

Again this year we are grateful to BAR/LNA Media Service for providing an overview of media expenditures for comparison.

After a major increase in expenditure by the ten largest corporate advertisers in 1987 (35.6%), we find a slight decline in 1988 (-.3%). This is compatible with the A.N.A. study whose members include many of the largest corporate advertisers.

The principal growth in 1988 corporate ad expenditures was experienced by the mid and smaller corporate advertisers.

TABLE #3

(Counting BAR/LNA Multi, Media Service)
(add $000)

Corporate Advertisers	1986*	1987*	% change	1988*	% change	1988 (9 Media study)
Top 10	$ 253,231	$ 343,595	+35.6	$ 342,572	- .3	$ 402,505
Top 100	643,808	796,603	+25.3	853,715	+7.2	1,045,100
Top 200	730,375	896,152	+22.7	965,496	+7.7	1,176,359
All Companies	785,792	951,023	+21.0	1,033,007	+8.6	1,248,991

*Figures from 7-Media study. Two additional media, newspapers and syndicated TV, were added in 1988.

LOCATION OF THE CORPORATE ADVERTISING FUNCTION

"Marketing" gained somewhat to become the department most likely to handle the corporate advertising function. "Corporate Communications" dropped, but the response base is low and close. Increases in "Public Relations" and write-ins for "Public Affairs" suggest that marketing hasn't walked away with it yet.

It is interesting to speculate that the post-October, 1987 stock market crash dropoff in corporate advertising used to influence investors (noted by this writer and the press) may account for no one claiming to handle corporate advertising from the "Investor Relations" department. On the other hand, "to inform investors" actually went up as an advertising objective this year (see Table #5), and investors received somewhat more mentions as a target audience this year. (see table #6)

TABLE #4

In which department is your corporate advertising function located?

	1988 Survey (140 responding)		1989 Survey (74 responding)	
	#	%	#	%
Corporate Communications	53	38	25	33.8
Marketing	48	34	27	35.5
Public Relations	36	26	14	19.9
Investor Relations	3	2	--	--
Other (write-ins)	--	--	--	--
Adv. & Adv. Services	--	--	6	8.1
Public Affairs	--	--	2	2.7

OBJECTIVES OF 1989 CORPORATE ADVERTISING

The principal objective of advertisers remained the same: to enhance the level of awareness of the company and its reputation. This jumped from 72.4% to 84.4% of respondents. After seeing increases in the use of corporate advertising to provide marketing support for products and services, this year it declined to 49.4% down from 59.2% a year ago.

The use of corporate advertising to educate on pertinent issues was cited by 24.7% of respondents, up from last year's 20%. This could reflect an increase in "issue" advertising addressed to the new Congress and administration. Write-ins of other objectives included reaching minorities, goodwill and coordinating the efforts of operating units.

TABLE #5

What are the objectives of your corporate advertising campaign?

Objectives	1988 Survey (98 responding) #	1988 Survey (98 responding) %	1989 Survey (79 responding) #	1989 Survey (79 responding) %
* To provide for a level of awareness of the company, the nature and/or diversity of its business interests, and enhance its reputation	71	72.4	65	84.4
* To provide unified marketing support for products and services	58	59.2	38	49.4
* To inform or educate on issues of importance to the public and the company	20	20.4	19	24.7
* To inform investors about the company	21	21.4	18	23.4
* Other	7	7.1	6	7.8

AUDIENCES AND CORPORATE ADVERTISING

The business community regained its number one spot (65%) as the most sought after corporate advertising audience after losing it briefly last year to Upscale Population. Upscale Population fell to 57.5% this year to take the second position. Those targeting audiences by household income are aiming higher than ever. Almost one-third of them specified households with incomes of $50,000 and above. The financial community rose slightly to 37.5% after dropping to 33.7% last year.

Employees and Plant Communities also regained some of the ground lost last year, rising from a low of 29.5% to 33.8%.

The same bounce-back occurred with the Trade and Government audiences returning to near 1987 figures (36.3% and 30.0% respectively).

TABLE #6

Audiences sought be corporate advertisers:

	1987 Survey (65 respondents)		1988 Survey (95 respondents)		1989 Survey (80 respondents)	
	#	%	#	%	#	%
Entire Population	14	21.5	13	13.8	14	17.5
Upscale Population	29	44.6	60	63.1	46	57.5
College Educated	26	40.0	36	37.9	26	32.5
Own Stock	--	--	8	8.4	10	12.5
Own Home	--	--	13	13.8	13	16.3
Household Income*	27	41.5	41	43.2	36	37.5
$50,000 and over	8	29.6	12	29.2	11	30.6
$40,000	2	7.4	8	19.5	7	19.4
$35,000	5	18.5	8	19.5	7	19.4
$30,000	4	14.8	8	19.5	4	11.1
$25,000	5	18.5	6	14.6	5	13.9
Business Community	41	63.1	37	38.9	52	65.0
Financial Community	31	46.9	32	33.7	30	37.5
Trade	20	30.8	21	22.1	29	36.3
Activists/Opinion Leaders	23	35.4	27	28.4	28	35.0
Employees/Plant Communities	24	36.9	28	29.5	27	33.8
Government	20	30.8	22	23.2	24	30.0
Analysts	23	35.4	22	23.2	20	25.0
Portfolio Managers	18	27.7	20	21.1	16	20.0
Brokers	13	20.0	18	18.7	15	18.8
Individual Investors	19	29.2	19	20.0	14	17.5
Stockholders	24	36.9	18	18.9	13	16.3
Military	6	9.2	6	6.3	4	5.0
Other**	14	21.5	12	12.6	4	5.0

* Among those reporting using household income as a criterion, not all respondents provided figures. Breakouts will not add up to 100

**Write-ins of regional or ethnic demos (no substantial patterns)

MEDIA USED FOR CORPORATE ADVERTISING

Although Business Magazine mentions dropped three years in a row, they still managed to edge out specialized newspapers as the most frequently used medium for corporate advertisers.

Cable Television continued to grow in popularity and is now used by almost half of those responding, almost equaling Network Television usage. Other gains were made by Trade Magazines, Outdoor Advertising and Direct Mail. Radio seems to have increased sharply, particularly local and regional, but from a small base.

TABLE #7

Media employed:

	1987 Survey (65 responding)		1988 Survey (95 responding)		1989 Survey (80 responding)	
	#	%	#	%	#	%
Magazine						
Consumer	33	50.8	50	52.7	42	52.5
Business	52	80.0	66	69.5	54	61.5
Financial	28	43.1	39	41.0	33	41.3
Trade	27	41.5	38	40.0	43	53.8
Newspaper						
General	20	30.8	30	31.6	23	28.8
Specialized	42	64.6	56	58.8	49	60.3
Television						
Network	33	50.8	45	47.4	40	50.0
Local/Regional	25	38.5	32	33.7	25	31.3
Cable	20	30.8	37	38.9	38	47.5
Radio						
Network	5	7.7	4	4.2	8	10.0
Local/Regional	20	30.8	8	8.4	22	27.5
*Outdoor	–	–	8	8.4	9	11.3
Direct Mail	14	21.5	18	18.9	13	16.3
Other	4	6.2	4	4.2	3	3.8

*Not asked in 1987 Survey

UNDERWRITING PUBLIC TELEVISION

The growth in underwriting PBS that we have witnessed in recent reports (up from 12% four years ago to 42.9% last year) seems to have leveled off. It was 41.7% this year. Even among corporate advertisers who traditionally used PBS more than non-corporate advertisers, the figure was 47.5%, down from 50% the year before.

However, the good news for PBS is that more of the underwriters appear to be underwriting both national and local programs, up from 8.2% last year to 18.6%.

TABLE #8

A.N.A. respondents underwriting public television:

	1987 Survey (123 respondents)		1988 Survey (170 respondents)		1989 Survey (108 respondents)	
	#	%	#	%	#	%
National Only	18	14.6	24	14.1	12	11.1
Local Only	20	16.3	35	20.6	19	17.6
Both	9	7.3	14	8.2	20	18.6
Total	47	38.2%	73	42.9%	51	47.3%

A.N.A. corporate advertisers underwriting public television:

	1987 Survey (65 respondents)		1988 Survey (98 respondents)		1989 Survey (80 respondents)	
	#	%	#	%	#	%
National Only	16	24.6	17	17.3	12	15.0
Local Only	12	18.5	21	21.4	13	16.3
Both	7	10.8	11	11.2	13	16.3
Total	35	53.9%	49	49.9%	38	47.6%

A.N.A. Members not currently using corporate advertising but underwriting public television:

	1987 Survey (58 respondents)		1988 Survey (72 respondents)		1989 Survey (35 respondents)	
	#	%	#	%	#	%
National Only	2	3.5	7	9.7	--	--
Local Only	8	12.1	14	19.4	6	17.1
Both	2	3.5	3	4.1	1	2.9
Total	12	19.1%	24	33.2%	7	20.0%

OVERSEAS CORPORATE ADVERTISING

Last year the Committee added questions to determine how corporate advertisers were dealing with the challenges of increased international communications. About a quarter of 1988 respondents had corporate ad programs that ran overseas. This year, that figure has increased to about one-third. Most of these programs are running in Asia and Europe. Increasingly, it seems, this is different advertising from that which the companies employ in the U.S. (88% in 1989 vs. 66.6% in 1988). This may account for the drop in centralized handling of the programs (37.5% down from 58.4%).

TABLE #9

Where does your corporate advertising appear?

	1988 Survey (93 responding)		1989 Survey (80 responding)	
	#	%	#	%
U.S. Only	69	74.2	54	67.5
Overseas	24	25.8	26	32.5
Asia	--	--	10	--
Europe	--	--	8	--
Pacific	--	--	2	--
South America	--	--	2	--

Is your overseas corporate advertising different from your U.S. companies?

Yes	16	66.6	22	88.0
No	8	33.3	3	12.0

Is your overseas advertising handled centrally from the U.S.?

Centrally	14	58.4	9	37.5
Locally	10	41.6	13	54.2
Both	--	--	2	8.3

ADVERTISING RESEARCH

In previous surveys the research practices used in connection with corporate advertising were explored with separate questions on pre-testing and tracking. This year, one open-ended question invited respondents to write in the forms of research used. Results, therefore, cannot be compared. However, it is clear tracking research is still the most frequently used form.

Four out of five (80.2%) respondents use some form of research in connection with their advertising program. For 65.6% of the respondents this is most apt to be awareness, attitudinal, familiarity and image tracking studies. Focus groups rank next at 29.6%.

Only one out of five respondents (22.9%) claims to copy test, but another 19.7% use "pre- and post- creative studies."

TABLE #10

Do you use any research in connection with your advertising program?

	#	%		#	%
Yes	61	80.2	No	15	19.8

What kinds of research do you use?

	#	%
Awareness, Attitudes & Image Tracking Studies	40	65.6
Focus Groups	18	29.6
Copy Testing	14	22.9
Pre- & Post- Creative Studies	12	19.7
One-on-One Testing	6	9.8

ADVERTISING AND PUBLIC RELATIONS COORDINATION

A new question this year sought insight into an old issue – How coordinated is corporate advertising with public relations and how is coordination achieved? About three-quarters (73%) of the respondents claimed these two activities were coordinated. Most respondents explained that they were either in the same department, shared a common report, or that the coordination started at the planning stage. Others explained the ways in which public relations and advertising were similar such as: objectives, strategies, subject matter and themes. When asked "How?" the verbatims ranged from "All in one, big happy department" to "Very slightly."

On a hunch, the responses from those who said there was no coordination were cross-tabbed by location of the corporate advertising function. Sure enough, fifteen out of the twenty (75%) were from companies in which the corporate advertising function is within the marketing department. Overall, corporate advertising is in the marketing department of respondents 35.5%. (See Table #4, page 9)

TABLE #11

Is your corporate advertising coordinated in any way with your public relations/affairs program?

	#	%		#	%
Yes	54	73.0	No	20	27.0

How are your corporate advertising efforts coordinated with your public relations/affairs program?

VERBATIMS

(Note: Some are slightly paraphrased to allow comments to be clustered. The number of mentions are indicated in the brackets.)

ORGANIZATIONALLY

- Same department (6)
- Corporate advertising and public relations work together (4)
- Joint management (3)
- Advertising is in the P.R. department (1)
- P.R. Dir. and Ad Dir. report to same Sr. VP (1)

SHARED THEMES AND SUBJECTS

- Same themes (4)
- Consistent message (2)
- Coordinated subjects (2)
- Coordinated timing of ads and P.R. announcements (1)
- Advertising supports many P.R. programs (1)

SHARED OBJECTIVES

- Same objectives (9)
- Same priorities (1)

SHARED STRATEGIES

- Same strategies (3)
- Same corporate positioning (1)

PLANNING

- Part of the same communications plan (3)
- Through corporate level planning (2)

OTHER MENTIONS

- Integrated (3)
- Coordinated with media relations (1)
- Employee Communications (1)
- Special events programs (1)
- Usually will run an ad when publication runs a story (1)
- Very slightly (1)

CORPORATE ADVERTISING AND DISASTER CONTAINMENT PLANS

The growing importance of this subject prompted the Committee to examine how members are handling planning for these unwanted occurrences. While nearly two out of three of the respondents indicated they had containment plans (58.9%), fewer than a third (30.4%) included corporate advertising in any way as part of the contingency plan. Four of the 78 respondents said they were unaware of any plan, which may be a reflection of the plan itself.

Asked how corporate advertising might fit into their plan, only seven verbatims were offered. Three noted advertising might be used depending on circumstances but probably not in a major way. One indicated it would certainly be used to communicate to the trade. One said that the corporate advertising department would be utilized to develop the emergency media ad program. Only one offered a concrete example of its use, "Emergency announcements for plant closings and openings due to weather or strikes are coordinated through corporate advertising."

Author's observation: Many of America's largest corporations have not thought through their disaster planning as well as they might. Considering the growing importance of communications in these events and the growing ability of the press to exploit the details, some major companies better get planning.

TABLE #12

Do you have a stand-by communications plan for disaster containment? (78 responding)

	#	%		#	%		#	%
Yes	46	58.9	No	28	35.9	Don't know	4	5.1

Is corporate advertising in any way a part of the contingency plan?

	#	%		#	%		#	%
Yes	14	30.4	No	31	67.4	Don't know	1	2.2

AREAS OF GREATEST CONCERN

We repeated last year's invitation for respondents to share their greatest concern in connection with their corporate advertising programs, but this year we added the words "besides budgets" which dominated last year's response. The response was most gratifying and the remainder of the report is devoted to their verbatims.

Although these concerns fall into identifiable patterns such as "maintaining management support for the program," "effectiveness," "media clutter," we elected to let their eloquent responses speak for themselves. Unedited and in their original, random order they provide a thorough understanding and complete sense of the real concerns of corporate advertisers. Those who take the time to read them all will learn much about the corporate advertising function and gain empathy with the corporate ad directors.

Besides budgets, what is the area of greatest concern for your corporate advertising program?

How to integrate corporate advertising into the business -- show its impact on the business.

Credibility -- the industry is under fire.

The decision-making process.

The increasing media costs to reach fewer numbers of our target audiences.

Measuring effectiveness and justifying the cost of advertising on a sales/revenue basis.

Effective communication toward a selective market-cluttered environment.

Maintaining senior management's focus and commitment to the goals of the advertising vis-a-vis other corporate demands.

Its impact and effectiveness.

Because of decentralization within company an ad campaign must be cooperative both financially as well as message -- very difficult to initiate and execute.

Creative execution -- message communication

To achieve continuity in corporate advertising communications for succeeding years.

Achieving total integrated communications in a global, decentralized organization.

Defining issues that are meaningful to both the community and the company.

Creative effectiveness.

Obtaining multi-year commitments to program from management.

Trying to develop a simple message for a complex company.

Continuing to develop the most effective corporate advertising in our industry.

Productivity...how to get more impact out of the same dollars in an increasingly cluttered environment.

Balance between brand impact and public service.

Effective communications.

Recognition/perception modification of key audiences.

Is it cost-effective for a business-to-business company?

Quality of people, skills; internal and external.

Continuing education of senior management to maintain corporate commitment to advertising.

Consistent strategies and vision in these times of changing corporate ownership.

Maintaining the consensus needed to continue the program among the entities that fund it.

That it be impactful and create positive action.

Primary objectives are to increase product sales rates - too much trade advertising dilutes media budget (which is low).

Appropriateness of message. Does it say the right things about the company?

Decentralization of communications function. We are currently decentralized with all functions handled at SBU (Strategic Business Unit) level. A study is now under way to re-evaluate this system which has not worked and is expensive.

Effectiveness is the single most important concern.

Marketing, which is product driven, at this time does not see any need for corporate advertising which they claim is "image advertising".

One area of concern is to make sure the message pleases three audiences that are important to us: our agents, top management and employees.

Consistency, efficiency of media, measurement of results, top management support, and understanding the long-term goals.

Agreement of objectives and budget amounts.

Impact -- must drive sales not just create a nice image.

Obtaining management support for corporate advertising programs. Senior management simply doesn't understand the potential of corporate advertising to meet long-term rather than short-term goals.

Continue increasing awareness to an appropriate level.

Are they (ads/commercials) relevant to the consumers?

That it accurately project the corporate culture and business ethic.

Continuity of theme -- tie in with other corporate communicaitons efforts.

Communicating effectively with target audiences.

Targeting the correct audience.

Capabilities vs. attributes focus.

Utilities have to be careful not to be perceived as spendthrifts with other people's monies.

No measurable payback -- very soft in a time of hardball budgeting.

Encroaching pressure to have our rights as legitimate advertisers minimized by state/federal regulations and through actions of special interest groups.

Making sales from the advertising, being sure our advertising reached our target audience.

To maintain a sustainable communications program with this corporate management audience that translates into a timely, but enduring corporate image/reputation/personality.

Management understanding and commitment -- adequate creativity -- sustainability.

Management ennui -- keeping program sold -- walking thin line of corporate advertising supporting operating units without doing their job.

Effectiveness -- coordination with product promotions.

Audience reach and readership of ads.

Maintaining call/sales levels in an increasingly inertia-ridden environment exacerbated by very aggressive competitive advertising.

Proving its value as an umbrella for product and service advertising.

Reaching a hard-to-reach target more effectively.

Corporate identity in a decentralized company.

Creative direction -- media plan.

Different product/service portfolios around the world require great care in avoiding overpromise while resisting the lowest common denominator approach as the "safe alternative" i.e.. executing meaningful common messages against global strategy.

0037A
05/24/89

1989 A.N.A. SURVEY OF CORPORATE ADVERTISING PRACTICE

(Confidential information - for use by researchers only.)

Name:_____

Title:_____ Phone:( )_____

Company:_____

Address:_____

City:_____ State:_____ Zip:_____

1. Company use of corporate advertising in:

	Yes	No	Approximate Budget Level	Approximate Percent of All Company Advertising
1987			$_____	_____%
1988			$_____	_____%
1989			$_____	_____%

2. In which area is your corporate advertising function?

___ Marketing ___ Investor Relations ___ Public Relations ___ Corporate Communications

Other (Please specify) _____

3. Please ***place a check*** next to all the media used in your corporate advertising program and also ***circle*** your major expenditure media.

MAGAZINES: ___ Consumer ___ Business ___ Financial ___ Trade

NEWSPAPERS: ___ General ___ Specialized (e.g.,*Wall Street Journal, USA Today*)

TELEVISION: ___ Network ___ Local/Regional ___ Cable

RADIO: ___ Network ___ Local/Regional

___ DIRECT MAIL ___ OUTDOOR OTHER (Please specify) _____

4. Do you underwrite Public TV?

___Yes ___No

___ National Only ___ Local Only ___ Both

5. What are the objectives of your 1989 corporate advertising campaign? (Attach statement of objectives if available.) If more than one, please rank.

___ To provide for a level of awareness of the company, the nature and/or the diversity of its business interests and enchance its reputation.

___ To provide unified marketing support for products and services.

___ To inform or educate on issues of importance to the public and the company.

___ To inform investors about the company.

___ Any other (Please specify) _____

Continued...

6. Please ***check*** all audiences for your 1989 campaign and ***circle*** those audiences co

___ Entire population

___ Upscale audience
- ___ College educated
- ___ Household income over $_____
- ___ Own stock
- ___ Own home

___ Financial community
- ___ Individual investors
- ___ Stockholders
- ___ Brokers
- ___ Portfolio managers
- ___ Analysts

___ Activist/opinion leaders ___ Government ___ Military

___ Business community ___ Trade ___ Employees/plant community

Other (Please specify) _____

7. Do you use any research in connection with your advertising program?

___ Yes ___ No

What kinds of research do you use?_____

_____

8. Where does your corporate advertising appear?

___ U.S. only ___ Overseas (Please specify):_____

Is your overseas corporate advertising different from U.S.?

___ Yes ___ No

Is your overseas advertising handled centrally from the U.S. or locally?

___ Centrally ___ Locally

9. Is your corporate advertising coordinated in any way with your public relations/af pr

___ Yes ___ No

How?_____

10. Do you have a stand-by communications plan for disaster containment?

___ Yes ___ No

Is corporate advertising in any way a part of this contingency plan?

___ Yes ___ No

How?_____

11. Besides budgets, what is the area of greatest concern for your corporate adve is

_____

_____

_____

PLEASE RETURN COMPLETED QUESTIONNAIRE TO:

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